

Scheduling Coordinator Agreement

Section 1

- * Definitions – Tariff = Tariff, Appendices, protocols, & operating procedures.
- * Rules of Interpretation – The norm
- * Removed language on exceptions to tariff compliance
- * Section on approval by the Rural Utilities Service to allow entities overseen by RUS to become SC

Section 2

- * Covenants of the Scheduling Coordinator under tariff
 - Will fulfill all SC Tariff obligations
 - Will be responsible for all payment obligations accrued
 - Will be liable for any penalties or sanctions under Tariff
- * SC does not waive right to oppose general establishment of penalties or sanctions by RTO West

Section 3

- * RTO West will comply with Tariff and Applicable Reliability Criteria (term Q)

Section 4

- * Effective Date

- * Termination by RTO West

- In event of SC Default (except for force majeure)
- Must include actions necessary for reinstatement
- Expedited ADR may be invoked

- * Cure of Payment Failure by SC:

- Failure to pay must be cured within 3 hours
- 3 Payment defaults in rolling 12 month period, can result in loss of certification

Section 4 (continued)

- * Cure of (Other than Financial) Breach by SC

- Within 14 days
- Cure must be provided to RTO West's satisfaction
- If cannot cure within 14 days, can provide written plan to RTO West for their acceptance for longer time period.

- * Termination by SC

- 45 days notice, effective as long as all obligations have been satisfied.

Section 5

* SC must maintain a settlement account with bank capable of electronic funds transfer. Can be changed with 7 days notice.

Section 6

* Information submitted by electronic transfer has the same legal rights, obligations, and implications as other information. The same record keeping standards apply.

Section 7

* Information supplied in the application process will be accorded confidentiality as specified in the RTO West Tariff.

Section 8

* Parties must make all reasonable effort to settle disputes according to the ADR provisions of the Tariff.

Section 9

* Execution, delivery and performance of this agreement has been authorized as necessary by all corporate/government actions required.

Section 10 (Misc.)

* Assignment Provisions – Must have prior written agreement of other party (which shall not be unreasonably withheld) to transfer rights or obligations to another except:

- transfer to affiliate of the Party
- transfer to successor or direct or indirect ownership or operation
- for collateral security purposes (details)

* Notices – 10 days to supply info required by the agreement, in writing, acceptable delivery methods

* Waivers – any waiver of rights regarding any default does not constitute a waiver with respect to subsequent default.

* No Third Party Beneficiaries

Section 10 (Misc. – cont.)

- * Relationship of the Parties - agreement does not constitute an association, joint venture trust, partnership...
- * Severability – Invalidity of one portion of the agreement does not invalidate the rest of the agreement. If either party determines that a material change was created, parties negotiate to replace invalid portion. If after 14 days, negotiations failed, can terminate with 3 days notice.
- * Preservation of Rights and Obligations
 - All other rights available under applicable law
 - Upon termination, all unsatisfied obligations remain until satisfied

Section 10 (Misc. – cont.)

- * Governing Law and Forum - State of Washington (need additional Federal language)
- * Construction of Agreement – ambiguities construed in manner most accurately reflecting purpose of agreement and nature of rights and obligations.
- * Amendment – agreed to in writing by both parties (filed with Commission?)
- * Entire Agreement – Attachments incorporated by reference. Agreement represents the final and mutual understanding of the parties.

Attachment 1

* Format for Parties to give required information to each other

- Representatives

- Settlement Account Information



Scheduling Coordinator Application and Certification

Duties and Responsibilities of SC

Each SC must do all of the following:

- * Maintain its certification
- * Maintain records and respond to RTO West info requests
- * Maintain and provide proof of financial capability
- * Supply settlement info in accordance with RTO West Tariff
- * Maintain current load and resource information
- * Provide information on each NCR and FTO represented

Duties and Responsibilities of SC

Each SC must do one or more of the following:

- Submit Balanced Schedules for Injections and Withdrawals
- Operate or contract for generation control center services
- Cause represented customers to comply with metering requirements
- Supply loads and resources forecasts for planning needs
- Supply maintenance outage information
- Represent customers/resources in the provision of and payment for Ancillary Services
- Submit its portion of SC to SC trade schedules

Requirements for Certification

- * Submit, maintain, and have approved by RTO West:
 - Application form
 - Scheduling Coordinator Service Filing Form (loads and generation represented)
- * Use change form for submitting changes to the info above
- * Demonstrate:
 - Capability to carry out duties and responsibilities of an SC (section J.3)
 - That it meets financial requirements
 - Required software and communication capability
- * Certify that generators and loads have signed required agreements

Certification Procedure

- * Submit application at least 60 days prior to start
- * RTO West screens application within 5 business days for completeness
- * 5 business days to remedy deficiencies (or longer as specified)
- * SC notified of approval or rejection with 10 business days of application being declared completed
- * Can appeal rejection through ADR
- * Can submit a new application at any time

Additional Requirements (J.6 – J.9)

* Each SC must:

- designate a single point of operational contact
- have a 7 x 24 scheduling office
- maintain a contractual relationship with all customers it represents
- provide settlement ready information for each customer represented

* RTO West will maintain a public list of certified SCs

Financial Security Obligations and Requirements

- * Each SC must provide/maintain the credit information needed to do an analysis

- Financial Statements & related information

- Litigation, commitments, contingencies, prior bankruptcies

- *Amount of unsecured credit for private or publicly traded Entities assessed based on credit rating and tangible net worth

- *Amount of unsecured credit for public entities assessed based on tariff revenue and credit rating

- *Collateral deposit required if unsecured credit insufficient

Financial Security Obligations and Requirements (cont.)

*Calculation of Credit Exposure is based on

- RTO West calculation of potential short position for balancing energy for the for the lag time between energy use and payment for that use plus 5 business days

- All RTO West charges to an SC estimated between the charge being incurred and payment thereof plus 5 business days

- All other receivables due from the SC

* Minimum collateral deposit of \$500,000

Audit Rights

- * RTO West has right to audit SC records for 3 yrs.
- * SC's rights to audit RTO West will be as described in the Tariff

Attachments

- * Scheduling Coordinator Certification Application Form
- * Scheduling Coordinator Service Filing Form (loads and resources represented)
- * Notice of Change to Scheduling Coordinator Information Form